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The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D. C.

AMS

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Carryover stocks of wheat and feed grain will increase during the 1959-60 marketing year, but cotton stocks probably will be about unchanged and soybean and rice stocks will decline.

Wheat production this year, though down a fourth from the 1958 record, will again exceed disappearance. Use in this country may be off slightly and exports moderately. Carryover next July 1 is expected to rise close to 90 million bushels above a year earlier to about 1,365 million bushels.

Feed grain stocks will rise for the eighth consecutive year. A record corn crop...17% above last year's peak...is largely responsible. Although numbers of livestock are increasing and feeding rates will remain high, carryover stocks next October 1 are likely to increase further.

About equal increases in production and disappearance are in the outlook for cotton. The 1959 crop is up 28%. Exports will about double the 1958-59 level and use by U. S. mills will increase some. Carryover probably will hold at about the August 1, 1959 figure of 8.9 million bales, well below 1956 peak of 14½ million but still sizeable.

A record quantity of soybeans is likely to be crushed and exported in 1959-60. The crop is forecast at 8% below last year. This combination probably means a drop in carry-over from this year's peak.

A sharp increase in exports, a small gain in domestic use is expected to reduce rice stocks this season, even though production is up 12% from 1958. The carryover estimate of about 13 million cwt. for next August 1 is 2.7 million below last August 1.

LIVESTOCK. Hog slaughter, up 14% from a year earlier so far in 1959, probably will show a smaller increase the rest of this year. Most of the market supply will come from March-May farrowings which were about 9% above a year earlier. Outlook is for prices to fluctuate in a fairly narrow range from now through winter.

More fed cattle than a year ago, about the same number of grass cattle, are expected to be slaughtered this fall. Cattle on feed in 13 States October 1 numbered 20% more than a year earlier. No great change from current price levels is likely for both grass and fed animals.

EGGS. Seasonal price peak probably was reached in the last half of September. Prices continue below last year and production slightly higher...a situation likely to continue through the rest of 1959.

BROILERS. Supplies are declining seasonally. Prices are not likely to rise, however, since demand also is weakening seasonally. Mid-September prices continued a little below a year earlier.

TURKEYS. Slaughter the rest of the season is likely to be about the same as a year ago. Although year's crop is 5% larger than last year and a record, fewer poult have been started since June 1 than in the same period of 1958. Turkey prices to farmers rose slightly from mid-August to mid-September but remained slightly under a year earlier.

SOYBEANS. Strong foreign demand is likely to push exports in 1959-60 above last year's record of about 110 million bushels. Domestic crush and other use also is likely to be a record...probably in the 430-435 million bushels range compared with 403 million last season.

Prices to farmers during the heavy marketing season are likely to average around the \$1.85 support level. Current prospects for strong crusher and export demand indicate the likelihood of a fairly good seasonal rise.

FLAXSEED. This year's crop is 45% less than last year's and the smallest in 15 years. Although an increased carryover was on hand at the beginning of the season, strong export demand has reduced stocks. Canada also has a poor crop and excessive rain has delayed plantings in Argentina. The generally tight supply situation means that prices to farmers this year will average well above those for the 1958 crop.

FEED. Slightly lower feed grain prices this fall and winter than in 1958-59 are in prospect. Record production this year and lower livestock prices are the main factors.

The 1959-60 supply of high-protein feeds probably will be a little larger than that of 1958-59. More cottonseed meal and animal protein feeds, as much or more soybean meal, less linseed meal are in prospect.

WHEAT. Prices in most markets were at the highest levels of the season in mid-October and higher than usual at this time of year compared with support. Strength in prices so far this year results from light marketings and the smaller crop.

FRUIT. A 1959-60 early and mid-season orange crop 3% larger than last year was indicated October 1. The prospective grapefruit crop is about the same as in 1958-59. Carryover stocks of frozen and canned citrus juices this fall probably will exceed last year's relatively light stocks.

VEGETABLES. Most canned items will be in ample supply this season. Some reduction in the pack is likely but larger stocks were on hand at the beginning of the season.

The fall crops of vegetables for fresh market sale generally are moderately to substantially below a year ago. Prices are increasing seasonally and are likely to average above a year earlier for the next several weeks.

COTTON. Higher exports and domestic mill use is expected to boost total disappearance in 1959-60 to $14\frac{1}{2}$ million bales, highest since 1956-57. Shipments abroad probably will about double last season's 2.8 million bale total. Mill use is likely to rise from 8.7 last season to about 9 million.